

## Message Text

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R 100746Z SEP 76  
FM AMEMBASSY MANILA  
TO SECSTATE WASHDC 88  
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C O N F I D E N T I A L SECTION 1 OF 4 MANILA 13900

FROM USDEL 241

CINCPAC ALSO FOR POLAD

E.O. 11652: GDS  
TAGS: MARR, RP  
SUBJECT: PHILIPPINE BASE NEGOTIATIONS: LABOR

1. SUMMARY: PRESIDENT NEGOTIATING POSITION AND OUTLOOK  
ON LABOR CONTAINED IN MANILA 13899 DTG 100730Z SEP 76  
(USDEL 240). PROVIDED BELOW IS THE PROPOSED LABOR  
ARTICLE AND ANNEX REFERRED TO IN PARA 14 OF REFTEL.  
WE SEE MERIT IN THIS APPROACH AND BELIEVE THESE  
PROVISIONS SHOULD BE CAREFULLY REVIEWED IN TERMS OF  
CONCEPT AND CONTENT:

2. QUOTE:  
LABOR

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TO PROVIDE FOR THE APPLICATION OF RELEVANT LABOR

STANDARDS ESTABLISHED BY PHILIPPINE LAWS, RULES AND REGULATIONS, AND TO INSURE THE ORDERLY ADMINISTRATION AND EFFECTIVE OPERATION OF THE UNITED STATES FACILITIES, THE PROVISIONS OF ANNEX----- TO THIS AGREEMENT SHALL GOVERN AND REGULATE THE EMPLOYMENT OF PHILIPPINE NATIONAL DIRECT HIRE EMPLOYEES OF THE UNITED STATES FORCES IN THE FACILITIES.

#### PREFERENTIAL EMPLOYMENT

1. THE UNITED STATES FORCES IN THE PHILIPPINES SHALL FILL THE NEEDS FOR CIVILIAN EMPLOYMENT BY EMPLOYING FILIPINO CITIZENS, EXCEPT WHEN THE NEEDED SKILLS ARE FOUND, IN CONSULTATION WITH THE PHILIPPINE DEPARTMENT OF LABOR, NOT TO BE LOCALLY AVAILABLE, OR WHEN OTHERWISE NECESSARY FOR REASONS OF SECURITY OR SPECIAL MANAGEMENT NEEDS, IN WHICH CASES UNITED STATES NATIONALS MAY BE EMPLOYED. THE TERM "SPECIAL MANAGEMENT NEEDS" APPLIES TO SITUATIONS NOT ALL DEFINABLE IN ADVANCE, IN WHICH THE EMPLOYER NEEDS, FOR EXAMPLE:

(A) AN EMPLOYEE WHO IS KNOWN TO BE NOT SUBJECT TO ANY PERSONAL BIAS OR PRESSURES, FOR INSTANCE IN SOME PERSONAL MANAGEMENT FUNCTIONS;

(B) AN EMPLOYEE WHO, PERHAPS FOR REASONS OF LONG ASSOCIATION OR EXPERIENCE WITH A GIVEN PROBLEM, HAS THE EMPLOYER'S SPECIAL CONFIDENCE AND WHO WILL BE KNOWN TO REPRESENT HIM PERSONALLY;

(C) EMPLOYEES WHOSE WORK REQUIRES THEM TO KNOW AND SERVE AMERICAN CULTURE AND CUSTOMS; AN EXAMPLE MIGHT BE IN SOME SPECIFIC ASPECTS OF THE EDUCATION OF AMERICAN CHILDREN.

2. WHEN A NEW U.S. CITIZEN POSITION IS ESTABLISHED, THE PHILIPPINE BASE COMMANDER WILL BE GIVEN WRITTEN NOTICE AT LEAST TEN CALENDAR DAYS PRIOR TO THE POSITION BEING FILLED. IN THE EVENT NO OBJECTION IS MADE WITHIN THAT PERIOD, THE POSITION MAY BE FILLED. IF DURING THAT PERIOD, THE PHILIP-  
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PINE BASE COMMANDER OBJECTS TO THE NEW POSITION BEING FILLED WITH A U.S. CI4HZEN, CONSULTATIONS WILL BE HELD BETWEEN THAT COMMANDGR AND THE U.S. FACILITIES COMMANDER. IF THE QUES-  
TION CANNOT BE RESOLVED; IT SHALL BE ELEVATED TO THE COM-

MITTEE ON LABOR FOR FINAL DETERMINATION. WHILE THE MATTER IS BEING ADJUDICATED THE POSITION MAY BE FILLED TEMPORARILY BY A U.S. CITIZEN EMPLOYEE.

3. IF A POSITION DESIGNATED FOR U.S. CITIZEN OCCUPANCY IS TO BE FILLED LOCALLY IN THE PHILIPPINES, THE FOLLOWING APPLIES: (1) DEPENDENTS OF MILITARY MEMBERS OF THE U.S. FORCES IN THE PHILIPPINES, AND DEPENDENTS OF CIVILIAN EMPLOYEES OF THE DEPARTMENT OF DEFENSE WHO ARE MEMBERS OF THE U.S. FORCES IN THE PHILIPPINES, MAY BE APPOINTED WITHOUT REFERENCE TO THE PHILIPPINE COMMISSION ON IMMIGRATION AND DEPORTATION, OR THE PHILIPPINE DEPARTMENT OF LABOR; (2) IF OTHER U.S. CITIZENS IN THE PHILIPPINES ARE HIRED LOCALLY TO WORK FOR THE U.S. FORCES, THE PHILIPPINE DEPARTMENT OF LABOR AND THE COMMISSION ON IMMIGRATION AND DEPORTATION WILL BE NOTIFIED.

#### RECRUITMENT

RECRUITMENT OF FILIPINO EMPLOYEES WHO ARE NOT FORMER EMPLOYEES, CHILDREN OF DECEASED OR RETIRED EMPLOYEES OR IN OTHER SIMILAR SPECIAL CATEGORIES WILL BE ACCOMPLISHED FROM LISTS OF QUALIFIED APPLICANTS SUBMITTED BY THE PUBLIC EMPLOYMENT OFFICES (PEO) OF THE PHILIPPINE DEPARTMENT OF LABOR IN RESPONSE TO RECRUITMENT REQUESTS FROM THE FACILITIES. SELECTION WILL BE MADE BY FACILITIES COMMANDERS OR THEIR REPRESENTATIVES. VACANT POSITIONS WILL BE FILLED FIRST FROM WITHIN THE RANKS OF PRESENT OR FORMER FACILITY DIRECT HIRE EMPLOYEES WHO WERE NOT SEPARATED FOR CAUSE OR SPECIAL CATEGORY CANDIDATES BEFORE ASSISTANCE IS SOUGHT FROM PEO. FACILITIES PERSONNEL OFFICES MAY DIRECT PERSONS TO THE PEO AND REQUEST THAT THEIR NAMES BE INCLUDED ON LISTS TO BE FURNISHED. ADDITIONAL LISTS MAY BE REQUESTED FOR THE SAME JOB VACANCY IN THE EVENT SUFFICIENT QUALIFIED PERSONS ARE NOT CONSIDERED TO BE LISTED, SO THAT A CHOICE IS AVAILABLE FROM SEVERAL BASICALLY QUALIFIED PERSONS. IN CONFIDENTIAL

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THE EVENT THE PEO DOES NOT FURNISH SUFFICIENT QUALIFIED APPLICANTS WITHIN A PERIOD OF TWO WEEKS FROM THE DATE OF RECRUITMENT, REQUEST DELIVERY, UNITED STATES FACILITIES MAY RECRUIT DIRECTLY. THE FACILITIES SHALL SUBMIT TO THE NEAREST PEO A QUARTERLY REPORT OF EMPLOYEES HIRED DIRECTLY.

#### UNIFORM STANDARDS

TO THE EXTENT CONSISTENT WITH THE PROVISIONS OF THIS AGREEMENT AND THE NATIONAL LAWS OF EITHER COUNTRY AND REGULATIONS PURSUANT THERETO AND IN CONFORMITY THEREWITH, TERMS AND CONDITIONS OF EMPLOYMENT, WORKING CONDITIONS AND

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R 100746Z SEP 76

FM AMEMBASSY MANILA

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INFO SECDEF WASHDC

JCS WASHDC

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FROM USDEL 241

CINCPAC ALSO FOR POLAD

BENEFITS, EXCEPT THOSE CONDITIONS OF EMPLOYMENT RELATED TO WAGES AND COMPENSATION WHICH ARE DETERMINED BY TECHNICAL SURVEY, SHALL BE SUBJECT TO COLLECTIVE BARGAINING AND, UNDER UNIFORM PERSONNEL POLICIES AND ADMINISTRATION, SHALL APPLY EQUALLY TO ALL EMPLOYEES HIRED UNDER THIS ANNEX REGARDLESS OF SOURCES OF FUNDS USED. CONDITIONS OF EMPLOYMENT AS THEY RELATE TO WAGES AND COMPENSATION SHALL BE BASED UPON PREVAILING STANDARDS AND PRACTICES OF REPRESENTATIVE PROGRESSIVE EMPLOYERS IN THE LOCALITY WHICH SHALL BE BASED UPON PREVAILING STANDARDS AND PRACTICES OF REPRESENTATIVE PROGRESSIVE EMPLOYERS IN THE LOCALITY WHICH SHALL BE DETERMINED BY MEANS OF PERIODIC TECHNICAL SURVEYS TO BE CONDUCTED BY THE UNITED STATES FORCES. THE EMPLOYEES, THROUGH THEIR RECOGNIZED LABOR ORGANIZATIONS, SHALL PARTICIPATE IN DETERMINING THE FREQUENCY OF, AND IN DEVELOPING

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THE PRINCIPLES AND PROCEDURES FOR SUCH TECHNICAL SURVEYS, AND SHALL BE DULY INFORMED OF SURVEY RESULTS. THESE PRINCIPLES AND PROCEDURES SHALL INCLUDE THE SELECTION OF EMPLOYING FIRMS AND COMPARABLE POSITIONS TO BE INCLUDED IN THE SURVEY, PARTICIPATION IN DATA COLLECTION, AND IN REVIEW AND TRANSLATION OF SURVEY RESULTS INTO PROPOSED NEW WAGE SCALES, FRINGE BENEFITS, AND OTHER COMPENSATION. DISAGREEMENTS REGARDING THE INTERPRETATION OF TECHNICAL SURVEY FINDINGS ON WAGES AND COMPENSATION MATTERS ARE NOT CONSIDERED TO BE DISPUTES WITHIN THE MEANING OF PARAGRAPHS ----- AND ----- OF THIS ANNEX. THESE DISAGREEMENTS MAY BE RAISED TO THE COMMITTEE ON LABOR FOR CONSIDERATION UNDER PROVISIONS OF PARAGRAPH 2 C, COMMITTEE ON LABOR, OF THIS ARTICLE.

#### SOCIAL SECURITY BENEFITS

1. THE UNITED STATES FORCES SHALL FOR EMPLOYEES HIRED UNDER THIS ANNEX, PARTICIPATE IN THE SOCIAL SECURITY SYSTEM OF THE GOVERNMENT OF THE PHILIPPINES INsofar AS THE SYSTEM PROVIDES FOR OLD AGE RETIREMENT, PERMANENT DISABILITY, SICKNESS, AND DEATH BENEFITS; AND FOR LOANS FOR HOUSING, SALARY, AND/OR EDUCATION. THE UNITED STATES FORCES SHALL MAKE THE PAYROLL DEDUCTIONS ATTENDANT TO SUCH COVERAGE, AND REMIT DEDUCTIONS AND FEES TO THE APPROPRIATE PHILIPPINE GOVERNMENT AGENCY OR COMMERCIAL INSURER.

2. THE U.S. FORCES SHALL ALSO CONSIDER PROVIDING ADDITIONAL SOCIAL SECURITY TYPE OF BENEFITS, OR THEIR EQUIVALENT, CONSISTENT WITH PREVAILING INDUSTRY PRACTICES IN THE PHILIPPINES.

#### PAYROLL DEDUCTIONS

THE UNITED STATES FACILITIES COMMANDER SHALL, WITH RESPECT TO DIRECT HIRE EMPLOYEES WHO ARE PHILIPPINE CITIZENS, EFFECT THE FOLLOWING PAYROLL DEDUCTIONS: INCOME TAX; SOCIAL SECURITY SYSTEM PREMIUMS; PAYMENTS FOR HOUSING, SALARY AND/OR EDUCATION LOANS; AND UNION DUES. EXCEPT FOR UNION DUES, WHICH SHALL BE REMITTED DIRECTLY TO THE RECOGNIZED COLLECTIVE BARGAINING ORGANIZATION, SUCH DEDUCTIONS WILL BE REMITTED TO THE APPROPRIATE PHILIPPINE GOVERNMENT

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AGENCY. ANY OTHER DEDUCTIONS PROVIDED FOR IN PHILIPPINE LAWS, RULES AND REGULATIONS MAY BE EFFECTED WHEN AGREED UPON BY BOTH PARTIES TO THIS AGREEMENT.

SELF-ORGANIZATION AND COLLECTIVE BARGAINING

1. FILIPINO EMPLOYEES OF THE UNITED STATE FORCES IN THE PHILIPPINES SHALL HAVE THE RIGHT TO SELF-ORGANIZATION AND TO COLLECTIVE BARGAINING IN ACCORDANCE WITH THE PROVISIONS OF THIS ANNEX. THE RIGHT TO SELF-ORGANIZATION SHALL INCLUDE THE RIGHT TO JOIN OR REFRAIN FROM JOINING A UNION OR LABOR ORGANIZATION WITHOUT INTERFERENCE, COERCION, RESTRAINT, DISCRIMINATION OR REPRISAL. THE UNITED STATES FORCES WILL MAKE PROVISION FOR VOLUNTARY CHECKOFF OF LABOR ORGANIZATION DUES.

2. ANY FEDERATED LABOR ORGANIZATION OR INDIVIDUAL LABOR ORGANIZATION RECOGNIZED UNDER THIS PROVISION WILL BE ORGANIZED AND WILL OPERATE IN COMPLIANCE WITH PHILIPPINE LAW. ANY SUCH ORGANIZATION WHICH REPRESENTS THE MAJORITY OF THE FILIPINO EMPLOYEES IN THE DESIGNATED BARGAINING UNIT OF THE UNITED STATES FACILITIES IN THE PHILIPPINES SHALL BE ENTITLED TO RECOGNITION BY THE UNITED STATES FORCES, AND SHALL ENJOY EXCLUSIVE BARGAINING REPRESENTATION FOR SUCH EMPLOYEES. IN THE EVENT A RECOGNIZED LABOR ORGANIZATION SUBSEQUENTLY DOES NOT REPRESENT A MAJORITY OF SUCH EMPLOYEES, ANY DULY ORGANIZED AND REGISTERED LABOR ORGANIZATION REPRESENTING A MAJORITY OF EMPLOYEES AT A FACILITY OR GROUP OF FACILITIES SHALL BE ENTITLED TO RECOGNITION AND ENJOY EXCLUSIVE BARGAINING REPRESENTATION FOR SUCH FACILITY OR GROUP OF FACILITIES. NEVERTHELESS, ANY EMPLOYEE SHALL HAVE THE RIGHT TO PRESENT A GRIEVANCE DIRECTLY OR THROUGH A REPRESENTATIVE UNDER ESTABLISHED GRIEVANCE OR LABOR RELATIONS PROCEDURES.

3. SHOULD MORE THAN ONE LABOR ORGANIZATION BE RECOGNIZED AS BARGAINING REPRESENTATIVE WITHIN THE UNITED STATES FACILITIES, SUCH LABOR ORGANIZATIONS SHALL, IN ORDER TO FACILITATE IMPLEMENTATION OF THIS ANNEX, PARTICULARLY THE UNIFORM AND EQUAL APPLICATION OF TERMS AND CONDITIONS OF EMPLOYMENT AND PERSONNEL POLICIES AND ADMINISTRATION, UNDERTAKE JOINT COLLECTIVE BARGAINING WITH THE UNITED CONFIDENTIAL

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STATES FORCES. HOWEVER, COLLECTIVE BARGAINING ON QUESTIONS UNIQUE TO ONE BASE BY THE LABOR ORGANIZATION REPRESENTING THE MAJORITY OF EMPLOYEES IN SUCH BASE IS NOT PRECLUDED. QUESTIONS CONCERNING RECOGNITION MAY BE REFERRED TO THE COMMITTEE ON LABOR PROVIDED FOR IN----- OF THE ANNEX.

4. IN VIEW OF THE COMMON SECURITY INTERESTS OF THE TWO GOVERNMENTS AS RECOGNIZED IN THIS AGREEMENT, THE COMMITTEE ON LABOR, AT THE REQUEST OF EITHER PARTY TO A DISPUTE WHICH THREATENS THE ORDERLY AND EFFECTIVE OPERATION OF THE FACILITIES, SHALL DIRECT MEASURES TO PROMOTE RESOLU-

TION OF THAT DISPUTE. ANY ACTION TAKEN BY A RECOGNIZED

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FROM USDEL 241

CINCPAC ALSO FOR POLAD

LABOR ORGANIZATION WHICH INTERRUPTS OR DISRUPTS THE ORDERLY AND EFFECTIVE OPERATION OF THE FACILITIES BEFORE THE COMMITTEE ON LABOR HAS TAKEN ITS FINAL ACTION IN SUCH A CASE MAY BE CONSIDERED JUST CAUSE FOR WITHDRAWAL OF RECOGNITION OF THAT ORGANIZATION. DISCIPLINARY ACTION MAY BE TAKEN AGAINST ANY INDIVIDUAL EMPLOYEE OR GROUP OF EMPLOYEES PARTICIPATING IN SUCH INTERRUPTIVE OR DISRUPTIVE ACTION.

5. THE COMMITTEE ON LABOR SHALL NOT BE DEEMED TO HAVE TAKEN FINAL ACTION UNTIL THE DISPUTE HAS BEEN RESOLVED BETWEEN THE PARTIES UNDER THE PROCEDURES PROVIDED IN THIS ANNEX. DURING THIS PERIOD, THE PARTIES TO THE DISPUTE SHALL OBSERVE UTMOST GOOD FAITH IN COLLECTIVE

BARGAINING AND IN NEGOTIATING THEIR DIFFERENCES WITHOUT  
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RESORTING TO ACTS INIMICAL TO THEIR MUTUAL INTERESTS.

#### SECURITY OF EMPLOYMENT

1. CONSISTENT WITH THEIR MILITARY REQUIREMENTS, THE UNITED STATES FORCES SHALL ENDEAVOR TO PROVIDE SECURITY OF EMPLOYMENT TO FILIPINO EMPLOYEES OF THE FACILITIES.

2. NO SUCH EMPLOYEES SHALL BE SEPARATED BY REDUCTION IN FORCE UNLESS THE EMPLOYEES CONCERNED, AND THE PHILIPPINE BASE COMMANDER HAVE BEEN NOTIFIED AT LEAST 30 CALENDAR DAYS PRIOR TO THE DATE OF THE EMPLOYEES' PROJECTED SEPARATION. THE PHILIPPINE BASE COMMANDER AND THE UNITED STATES FACILITIES COMMANDER SHALL, AT EITHER'S REQUEST, MADE WITHIN 10 DAYS OF SUCH NOTIFICATION OF SEPARATION, REVIEW THE MATTER WITH A VIEW TO MITIGATING THE ADVERSE EFFECTS THEREOF.

3. REDUCTION IN FORCE SHALL NOT NORMALLY BE EFFECTED FOR THE PURPOSE OF CONTRACTING OUT THE JOBS OF DIRECT HIRE EMPLOYEES UNLESS BUDGET OR MANPOWER LIMITATION OR REALIGNMENTS LEAVE NO ALTERNATIVE. IN SUCH EXCEPTIONAL CIRCUMSTANCES, THE US FORCES SHALL FILL CURRENT VACANCIES WITHIN THE FACILITIES WITH AFFECTED EMPLOYEES WHO MEET THE QUALIFICATION REQUIREMENTS. IF ALL AFFECTED EMPLOYEES ARE NOT SO PLACED, THE US FORCES WILL REQUIRE THE CONTRACTOR OR CONCESSIONAIRE TO GIVE THEM PRIORITY CONSIDERATION FOR EMPLOYMENT AT THE WORK BEING CONTRACTED. THE UNITED STATES FORCES SHALL NOT, HOWEVER, HAVE RESPONSIBILITY FOR THE ENFORCEMENT OF THIS LATTER PROVISION, OR THE HEARING OF POSSIBLE DISPUTES BETWEEN AFFECTED EMPLOYEES AND THE CONTRACTOR OR CONCESSIONAIRE UNDER THIS PROVISION.

4. IF DIRECT HIRE EMPLOYEES ARE SEPARATED BY REDUCTION IN FORCE AS A RESULT OF THEIR WORK BEING CONTRACTED OUT, SUCH EMPLOYEES SHALL BE PAID SEVERANCE PAY AT DOUBLE THE AMOUNT THEY WOULD HAVE OTHERWISE RECEIVED. THE UNITED STATES FORCES SHALL GIVE SUCH EMPLOYEES PRIORITY CONSIDERATION FOR REEMPLOYMENT IN THE FACILITIES, AND IF EMPLOYED, SUCH EMPLOYMENT SHALL BE WITHOUT LOSS OF SENIORITY.

#### SEVERANCE PAY

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THE UNITED STATES FORCES MAY SEPARATE AN EMPLOYEE AT SUCH TIME AS THE CONTINUATION OF HIS EMPLOYMENT IS INCONSISTENT WITH THEIR MILITARY REQUIREMENTS, IN WHICH CASE THE EMPLOYEE SHALL BE ENTITLED TO SEVERANCE PAY UNLESS THE SEPARATION IS FOR CAUSE IN ACCORDANCE WITH ESTABLISHED PROCEDURES. THIS ELIGIBILITY FOR SEVERANCE PAY INCLUDES ESTABLISHMENT OR DEACTIVATION OF A FUNCTION, ACTIVITY, COMMAND, OR FACILITY. FOR PURPOSES OF COMPUTING SEVERANCE PAY THE BASIS SHALL BE THE EMPLOYEE'S TOTAL OR AGGREGATE SERVICE WITH THE UNITED STATES FORCES IN THE PHILIPPINES, LESS PERIODS OF SERVICE FOR WHICH THE EMPLOYEE HAD ALREADY BEEN PAID SEVERANCE PAY.

#### COMMITTEE ON LABOR

1. DISPUTES BETWEEN THE UNITED STATES FORCES AND FILIPINO EMPLOYEES OF DULY RECOGNIZED UNION OR ORGANIZATION OF EMPLOYEES WHICH CANNOT BE SETTLED THROUGH PROCEDURES CONTAINED IN COLLECTIVE BARGAINING AGREEMENTS OR DETAILED IN ----- OF THIS ANNEX MAY BE REFERRED BY EITHER PARTY TO THE DISPUTE TO THE COMMITTEE ON LABOR ESTABLISHED IN ----OF THIS AGREEMENT. THE COMMITTEE ON LABOR SHALL BE COMPOSED OF NOT MORE THAN THREE REPRESENTATIVES APPOINTED BY EACH GOVERNMENT AND SHALL INCLUDE LABOR RELATIONS SPECIALISTS.

2. THE COMMITTEE SHALL DETERMINE ITS OWN PROCEDURES AND, WHENEVER A DISPUTE HAS BEEN REFERRED TO IT, SHALL:

(A) SATISFY ITSELF THAT EVERY EFFORT HAS BEEN FULLY EXERTED BY THE PARTIES TO SETTLE THEIR DISPUTE THROUGH GRIEVANCE OR NEGOTIATED PROCEDURES. OTHERWISE, IT MAY REFER THE DISPUTE BACK TO THE PARTIES, INDICATING WHAT FURTHER STEPS MAY BE TAKEN TO REACH A SETTLEMENT. WHEN SATISFIED AS TO RESOLUTION ATTEMPTS BY THE PARTIES, THE COMMITTEE SHALL

(B) MAKE FINAL BINDING DECISION OR DISPOSITION WHEN THE CASE IS ONE FOR WHICH SUCH AUTHORITY HAS BEEN SPECIFICALLY GRANTED TO THE COMMITTEE ON LABOR BY PROVISIONS OF THIS ANNEX; OR

(C) DEVISE MEANS BY WHICH THE PARTIES TO DISPUTES REFERRED TO THE COMMITTEE BUT NOT FALLING UNDER PARAGRAPH (B) RENDER FINAL DECISION.

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3. IN THE EVENT THE DISPUTE REMAINS UNRESOLVED, AND EITHER PARTY RESUBMITS IT TO THE COMMITTEE, THE LATTER MAY REFER THE MATTER BACK TO THE PARTIES REQUIRING EITHER MEDIATION, CONCILIATION OR FACT-FINDING OR RECOMMENDING ANY OTHER MEASURE.

4. THE GOVERNMENTS OF THE UNITED AND OF THE PHILIPPINES,  
THROUGH THEIR RESPECTIVE AUTHORIZED AGENCIES OR REPRESENTATIVES  
SHALL, UPON REQUEST, MAKE AVAILABLE TO THE COMMITTEE OR ANY  
MEDIATOR, CONCILIATOR OR FACTFINDER INDICATED IN THE PRECEDING  
PARAGRAPH, ALL PERTINENT MATERIALS, DATA OR INFORMATION,  
EXCEPT THOSE WHICH ARE CLASSIFIED FOR SECURITY REASONS.

5. THE COMMITTEE REFERRED TO ABOVE SHALL LIKEWISE SERVE AS  
A CHANNEL FOR CONTINUING CONSULTATION BETWEEN THE TWO  
GOVERNMENTS AND AS THE PRINCIPAL CHANNEL FOR THE IMPLEMENTATION  
OF THIS ANNEX.

#### RESOLUTION OF DISPUTES

1. DISPUTES ARISING FROM OR AFFECTING EMPLOYER-EMPLOYEE

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R 100746Z SEP 76

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 91

INFO SECDEF WASHDC

JCS WASHDC

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FROM USDEL 241

CINCPAC ALSO FOR POLAD

RELATIONS IN THE FACILITIES WHICH ARE NOT SETTLED AT A LOWER LEVEL SHALL BE REFERRED TO THE PHILIPPINE BASE COMMANDER AND THE US FACILITIES COMMANDER FOR JUST, SPEEDY, FINAL AND BINDING JOINT RESOLUTION. IF NO RESOLUTION IS REACHED WITHIN 20 WORKING DAYS, THE TWO COMMANDERS SHALL REFER THE CASE TO THE COMMITTEE ON LABOR FOR FINAL DECISION OR DISPOSITION.

2. ORDINARY GRIEVANCES, DISCIPLINARY ACTIONS IMPOSING A PENALTY OF LESS THAN 5 WORKDAYS SUSPENSION, AND MATTERS FOR TECHNICAL REVIEW WHEN SEPARATION OF THE EMPLOYEE IS NOT INVOLVED IN THE ISSUE SHALL BE RESOLVED IN ACCORDANCE WITH THE COLLECTIVE BARGAINING AGREEMENTS IN EFFECT AT THE TIME THE DISPUTE ARISES, RATHER THAN IN ACCORDANCE WITH PARAGRAPH 1 ABOVE.

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#### REGULATION OF CONTRACTORS

2. IT SHALL BE THE RESPONSIBILITY OF PHILIPPINE AUTHORITIES TO DETERMINE WHETHER CONTRACTORS AND CONCESSIONAIRES PERFORMING WORK FOR THE UNITED STATES FORCES IN THE PHILIPPINES COMPLY WITH PHILIPPINE LABOR LAWS AND REGULATIONS, AND TO ENFORCE COMPLIANCE WITH SUCH LAWS AND REGULATIONS.

3. THE UNITED STATES FACILITIES COMMANDER SHALL SUBMIT TO THE PHILIPPINE BASE COMMANDER PERIODICALLY A LIST OF ALL CONTRACTORS AND CONCESSIONAIRES TO THE U.S. FACILITY.

#### MANPOWER ALLOCATION

IN THE EVENT THE PHILIPPINE GOVERNMENT ADOPTS MEASURES ALLOCATING MANPOWER, THE TWO GOVERNMENTS SHALL WORK OUT IN THE COMMITTEE ON LABOR ESTABLISHED UNDER---- MEASURES ENSURING FULFILLMENT OF THE LABOR NEEDS OF THE UNITED STATES FORCES.

#### MID-YEAR ANNUAL BONUS

IN VIEW OF THE CONCERN OF BOTH GOVERNMENTS FOR THE GENERAL WELFARE OF THE EMPLOYEES OF THE U.S. ARMED FORCES IN THE PHILIPPINES AND IN RESPONSE TO A REQUEST FROM THE PHILIPPINE GOVERNMENT, THE U.S. ARMED FORCES WILL, AS AN INCENTIVE TO SUCH EMPLOYEES, PAY EACH PHILIPPINE NATIONAL CONTINUOUSLY EMPLOYED BY THEM UNDER TERMS OF THE PRIOR AGREEMENT OR THIS ANNEX FOR ONE YEAR OR MORE ON 15 MAY 1977, A MID-YEAR BONUS OF TWO HUNDRED PESOS AND TO THOSE EMPLOYED ON 1 MAY OF EACH SUBSEQUENT YEAR THE SAME AMOUNT. THOSE EMPLOYED FOR LESS THAN ONE YEAR ON THE DATE OF PAYMENT

WILL BE PAID A PRO-RATA SHARE OF TWO HUNDRED PESOS FOR EACH FULL MONTH OF EMPLOYEMENT.

GENERAL PROVISIONS

1. NOTHING IN THIS ANNEX SHALL IMPLY ANY WAIVER BY EITHER OF THE TWO GOVERNMENTS OF ITS IMMUNITIES UNDER INTERNATIONAL LAW.

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2. THE UNITED STATES FORCES ARE NOT PRECLUDED FROM INTRODUCING UNILATERALLY FUTURE MEASURES TO ENHANCE EXISTING WORKING CONDITIONS AND BENEFITS.

3. EMPLOYMENT POLICIES PRACTICES AND BENEFITS EXISTING AT THE TIME THIS AGREEMENT ENTERS INTO FORCE SHALL CONTINUE UNLESS MODIFIED BY THIS ANNEX, OR BY SUBSEQUENT AGREEMENT BETWEEN THE TWO GOVERNMENTS.

4. THIS ANNEX CONSTITUTES THE GOVERNING AGREEMENT REFERRED TO IN THE EXISTING COLLECTIVE BARGAINING AGREEMENT. PROVISIONS OF THIS ANNEX SHALL SUPERSEDE AND REPLACE ANY CONFLICTING PROVISIONS IN THE EXISTING COLLECTIVE BARGAINING AGREEMENT. HOWEVER, THEY SHALL NOT BE THE BASIS FOR RENEGOTIATING THAT DOCUMENT PRIOR TO ITS NORMAL EXPIRATION DATE.

5. ANY PROVISION OF THIS ANNEX, REQUIRING FURTHER ADMINISTRATIVE ACTION FOR ITS EXECUTION, WILL ENTER INTO FORCE AS SOON AS REQUISITE ADMINISTRATIVE ACTION HAS BEEN TAKEN, BUT IN NO CASE LATER THAN SIX MONTHS FROM THE DATE THIS AGREEMENT ENTERS INTO FORCE. END QUOTE

5. ACTION REQUESTED: REVIEW AND COMMENT AS TO CONCEPT/CONTENT OF THIS APPROACH. THE GOP SEEMS TO BE MOVING IN THIS DIRECTION AND WE BELIEVE THAT THERE IS MERIT IN PURSUING IT. SULLIVAN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MILITARY BASES, NEGOTIATIONS  
**Control Number:** n/a  
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**Draft Date:** 10 SEP 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Authority:** ElyME  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Disposition Reason:**  
**Disposition Remarks:**  
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**Handling Restrictions:** n/a  
**Image Path:**  
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**Review Action:** RELEASED, APPROVED  
**Review Authority:** ElyME  
**Review Comment:** n/a  
**Review Content Flags:**  
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**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <09 MAR 2004 by morefirh>; APPROVED <29 SEP 2004 by ElyME>  
**Review Markings:**

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US Department of State  
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**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
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**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006